BRITISH COLUMBIA
The Best Place on Earth

BC Stats

Infoline

Contact: bcstats.infoline@gov.bc.ca

Issue: 08-51

December 19th, 2008

- **Inflation rate declines to 2.0% in November**
- **Retail and wholesale sales slip in October**
- **Car theft down in BC, 2007**

Population

- **BC's population grew by 0.55% between July 1st and October 1st, rising to 4,405,534.** This expansion was comparable to the growth seen over the same period last year, and is one of the most substantial population increases among the provinces and territories. BC's gain trailed only that seen by Alberta (+0.72%), the Yukon (+0.69%) and Prince Edward Island (+0.67%). Along with Saskatchewan (+0.48%) this group consists of the only jurisdictions to experience growth that exceeded the national average in the third quarter of 2008. The Canadian population expanded 0.39%, rising to 33,441,277.

During the third quarter of 2008 BC gained a total of 19,738 persons as a result of net migration from all sources. This was slightly lower than the 20,125 migrants in the third quarter of last year. However, while net migration from other jurisdictions in Canada dropped relative to the same quarter last year, net international migration increased from 14,779 to 18,254 persons. BC had a net inflow of just fewer than 1,500 from other parts of Canada, a significant drop from almost 5,400 in the same period of 2007. BC had a net loss of population to Ontario (-351), Saskatchewan (-253) and the Atlantic provinces (-103). The largest net gain during the quarter came at the expense of Alberta, which contributed over 1,200 people to BC. When natural increase (births minus deaths) is added to the migration figures, BC's population grew by 23,931 people during the third quarter of 2008. *Data Source: Statistics Canada*

Prices

- **British Columbia's year-over-year inflation rate stood at 2.0% in November, down substantially from October (+2.5%).** The cost of energy products (-2.5%) fell, such that excluding energy, the overall Consumer Price Index (CPI) would have been higher (+2.4%). Despite this, prices for electricity (+0.4%), fuel oil (+10.5%) and natural gas (+10.9%) continued to climb, such that the cost of shelter remained higher than in the same month last year (+2.4%). Residents also paid more for other utilities such as water (+8.7%). The cost of furnishing (+1.6%) and maintaining (+1.3%) a home also took bigger chunks out of the household budget, although homeowners didn't pay as much for insurance (-0.3%). Drivers paid substantially less at the pump (-8.1%) in November pushing the cost of operating a vehicle down (-1.2%) for the first time this year. Overall transportation costs were 1.0% lower, and prices for purchasing a vehicle (-3.4%) were also down. Public transportation, however, remained higher (+7.6%) than in the same month of 2007.

After climbing 5.3% in October, the cost of food soared 6.2% in November, as both grocery bills (+7.9%) and restaurant meals (+3.0%) were pricier. A hike in the cost of purchasing fresh vegetables (+18.0%) was largely behind the surge.

Prices for clothing & footwear (+1.7%) and health & personal care (+2.8%) were also higher than in November last year. However, British Columbians did enjoy lower prices for recreational equipment & services (-7.4%).

Report **BC's Trade in High Technology Goods**

Did you know...

Santa Claus visits 1,500 homes per second while carrying approximately 156,000 tons of cargo in his sleigh, which travels at an estimated 3.6 million miles an hour.

Source: Santa's Ergonomic Risk Assessment, System Concepts.

The inflation rates in both Vancouver (+2.3%) and Victoria (+2.1%) were slightly higher than the provincial average.

Data Source: Statistics Canada

- **The Canadian inflation rate was 2.0% in November, and British Columbians continued to enjoy one of the lowest overall price increases in the country.** Although still higher than in the same month of last year, consumer price increases slowed in all provinces, primarily due to falling gasoline and retail prices. Residents of Saskatchewan (+3.2%) recorded the highest rate in the country, while those in New Brunswick (+0.6%) saw the most moderate expansion.

Data Source: Statistics Canada

The Economy

- **Sales by retailers in the province slowed in October, slipping 2.0% (*seasonally adjusted*)** Canadian sales were also down (-0.9%), with increases in the Prairie provinces among those tempering losses in most other regions.

Data Source: Statistics Canada

- **Wholesale sales in BC weakened (-1.9%, seasonally adjusted) in October, following a 1.1% decline in the previous month.** Seven provinces saw decreases, with New Brunswick (-4.5%) posting the most significant drop in sales. At the national level, sales were off 1.8%. *Data Source: Statistics Canada*

- **The number of British Columbians receiving regular employment insurance (EI) benefits climbed (+3.5%, *seasonally adjusted*) to 43,480 in October.** All but three provinces saw an increase in EI beneficiaries, resulting in a 6.3% rise at the national level.

Data Source: Statistics Canada

- **The number of travellers entering Canada via BC borders inched up (+0.3%, *seasonally adjusted*) in October, on the heels of a substantial boost in September (+10.8%).** American visitors made more same-day (+1.7%) but slightly fewer overnight (-0.1%) trips north of the border into BC, such that overall American entries were up 0.5%. Travel to BC from overseas countries was down (-0.3%), as Asian entries fell 3.3%. On the other hand, the number of travellers from Europe (+0.7%) and other countries (+4.2%) climbed. *Data Source: Statistics Canada*

Motor vehicle theft

- **The rate of police-reported motor vehicle theft in BC decreased 25.2% between 1997 and 2007.** Despite the impressive decline, the province maintained a theft rate (619 per 100,000 population) significantly higher than that of the nation as a whole (443). However, BC is not an anomaly; across the country, stolen vehicle rates were significantly higher in the western provinces. Manitoba (1,236) continues to report the highest rate of vehicle theft in Canada, close to double that of Alberta (669), the province with the second highest rate. Conversely, the likelihood of having one's car stolen was lowest in Newfoundland & Labrador (120).

Data Source: Statistics Canada

Best wishes for a Merry Christmas and Happy New Year from all of us at BC Stats!

We're taking a break for the holidays. The next issue of Infoline will be The 2008 Index. Our regular format will resume on January 9th, 2009.

***Infoline** Issue: 08-51*
December 19th, 2008

For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

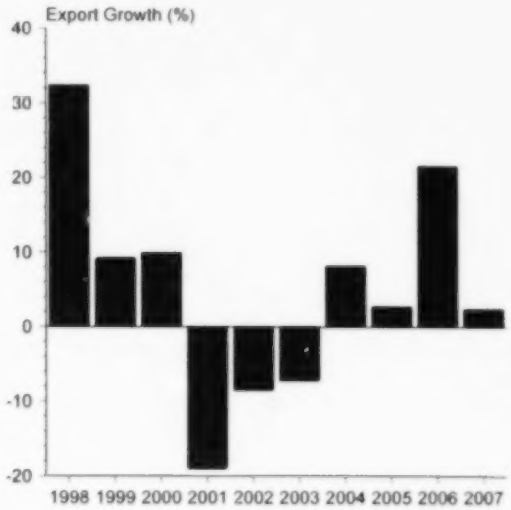
Contact: Dan Schrier
250 387-0376
Originally published in
Exports Issue 08-09

BC's Trade in High Technology Goods

British Columbia's high technology sector has established itself as an important part of the provincial economy and international trade plays an important role in the sector.[1] The domestic market for high technology goods does not have sufficient volume to achieve the economies of scale needed to remain competitive. Therefore, access to international markets is extremely important as it allows BC producers of high tech goods to focus on market niches. At the same time, BC manufacturers do not produce enough of some types of high technology equipment to satisfy the domestic demand from either consumers or the high technology industry itself, and as a result, large volumes of goods are imported into the province.[2]

Despite being faced with the challenge of the Canadian dollar reaching par with its American counterpart, British Columbia exporters of high technology goods managed to boost the value of their shipments to international destinations up 2.4% in 2007, to $877.1 million. This was significantly better than the performance of overall goods exports, which dropped 5.8%, marking the second straight year that exports of high technology products and overall commodity exports have moved in opposite directions. As a result, the proportion of overall exports comprised of high technology goods climbed to 2.8%, the highest share since 1999, and approaching the peak of 3.0% achieved in 1998.

BC's high technology exports edged up in 2007



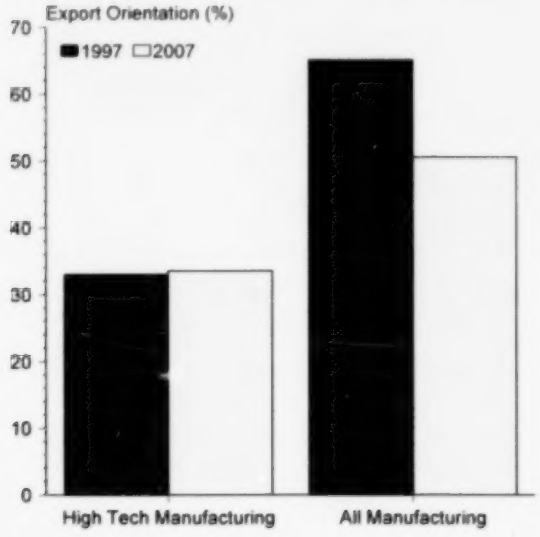
Source: BC Stats

Although exports are important to the high tech sector, BC's high technology manufacturing industries tend to be geared more toward the Canadian market, particularly compared to manufacturing in the province in general. In 2007, just over 33% of total high tech shipments were exported compared to 51% of manufactured goods overall. The gap was even wider a decade earlier, but in the last several years, the proportion of BC's manufactured goods that are exported has been falling, possibly as a result of an appreciating dollar that made BC products more expensive to foreign buyers.

[1] Note that this report is excerpted from a larger document entitled "Profile of the British Columbia High Technology Sector: 2008 Edition" which is available on the BC Stats' website: www.bcstats.gov.bc.ca

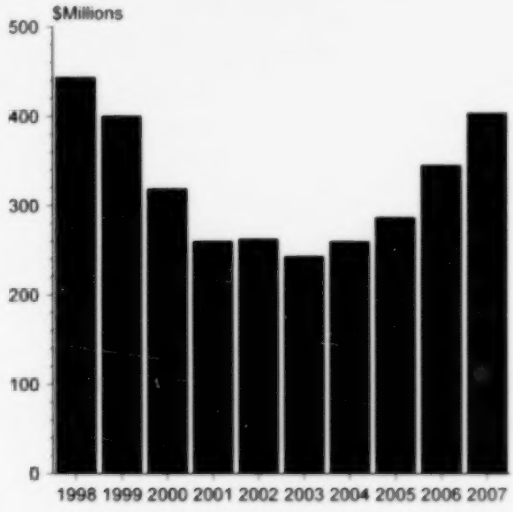
[2] High technology goods referred to in this document are based on a list developed by the US Bureau of the Census and modified to fit Canadian conditions. See Appendix B of the Profile report for more information.

A smaller portion of high technology products are exported compared to total manufacturing



Source: BC Stats

After slumping earlier in the decade, exports of computers and telecommunications products have rebounded



Source: BC Stats

The bulk of the growth in high tech exports was concentrated in just a few commodity groups.[3] Computers and telecommunications equipment are by far the most significant group of high technology goods exported from British Columbia. Almost half (46%) of the province's high tech exports are comprised of goods from this commodity group, with international shipments of computers and telecommunications equipment amounting to $403.7 million in 2007. It was also the largest source of high tech export growth in 2007, with the value of shipments of these goods climbing 16.9%, an increase of over $58 million. Other major contributors to the overall increase in high technology exports were aerospace goods, which experienced a 7.3% increase in the value of international shipments to an all-time peak of $183.0 million, and opto-electronics, exports of which jumped 34.3% to $49.9 million.

At the other end of the scale, exports of life sciences products plunged by $46.7 million, a fall of 26.0%. A substantial drop in exports of various electro-diagnostic apparatus was the main driver of the slump in life science product shipments in 2007. Computer integrated manufactured products, the other major group of high technology exports from the province, also experienced a dip in the value of exports, slipping 7.0%. The largest percentage decline was for exports of electronics, which fell to less than half the value exported in 2006 (-54.5%). The drop was largely due to a fall off in shipments of various integrated circuits and, to a lesser extent, semiconductor devices.

British Columbia generally does not export significant volumes of goods from the remaining commodity groups. The substantial jump in exports of material design goods that occurred from 1998 through 2001 was due to large shipments of optical fibre products. With the exception of that short period, British Columbia has not been a large exporter of material design goods.

[3] For information on high technology commodity groups, see Appendix B of the Profile report.

Almost 69% of British Columbia's high technology commodity exports were destined for the United States in 2007. This is well above the proportion of overall exports from BC that were shipped to the United States as only 60% of BC's total goods exports were US-bound in 2007. However, similar to exports in general, the ratio of high technology exports headed to the United States has been slipping over the last several years. In 2000, the share of BC's high tech exports shipped to the US peaked at just under 84%. Although the overall value of high technology goods shipped to the US is down from that peak year, mostly due to the bursting of the high tech bubble in 2001, most of the drop in share is due to diversification to other markets.

Shipments to the European Union, in particular, have grown significantly in the last few years, such that 15% of BC's high tech exports were destined for the EU in 2007. Exports to Pacific Rim countries, which dropped to their lowest levels in the early part of the decade, had rebounded somewhat, before slumping in 2007. There has also been strong growth in exports to countries outside these regions, particularly Mexico and Brazil.

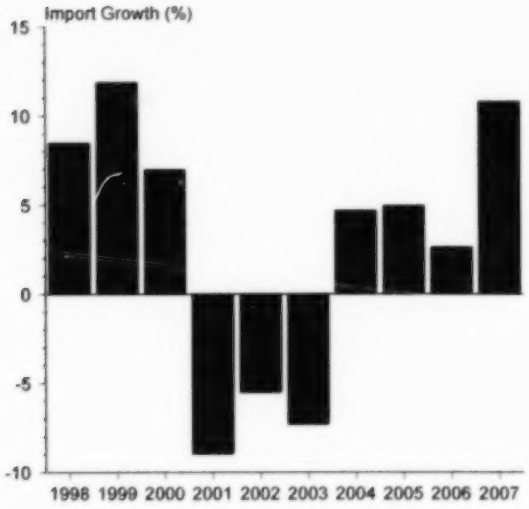
While exports to BC's largest market, the United States, edged up 2.7% in 2007, the strongest growth was in shipments to the European Union, which increased 19.5%. A large portion of this growth was from a 178.8% jump in exports to Germany due mainly to substantial increases in shipments of opto-electronics and computer and telecommunications products. However, exports to the United Kingdom (+13.3%) and the Netherlands (+35.9%) also experienced strong growth. Shipments to Belgium, which skyrocketed by 387.8% between 2005 and 2006, slipped back 30.8% in 2007.

Shipments to the Pacific Rim plunged 20.2% in 2007, with many of the top Asian destinations experiencing double-digit declines. BC high tech exports to Japan fell 18.1%, exports to Mainland China were down 14.5% and South Korea (-36.7%), Taiwan (-17.7%), Singapore (-15.3%) and Hong Kong (-48.7%) all saw a drop in shipments as well. Australia bucked the trend, as exports to that country jumped 23.3%.

While exports of high technology goods saw only marginal growth, imports rose a robust 10.8% to almost $4.7 billion, the fourth consecutive year of growth. After six straight years of declines, imports from the United States finally turned around, recording an increase of 8.1%. Mainland China continued to be a growing source for high tech products imported into British Columbia, with shipments climbing 14.2%, although this is the smallest percentage increase since at least 1990, the earliest year for which data are available. Mainland China trails only the United States in terms of the value of imports of high tech merchandise into BC, with just shy of $1 billion worth of goods entering the province from China in 2007. Approximately $1.6 billion worth of high tech goods were imported into BC from the United States. The rise in imports from Mainland China helped offset much of the reduction in shipments to the United States in the previous six years and now that imports from the US are on the rise, the combined growth has resulted in the first double-digit increase in BC imports of high tech goods since 1999.

A significant amount of high tech goods imported into the province is used as input into BC's own high technology manufacturing; however, a large portion of the imports from China are consumer goods such as portable computers and cellular telephones, which suggests that at least some of the growth in imports is consumer-driven and not solely due to the demand created by the domestic high tech sector.

Imports of high technology products into British Columbia increased in 2007



Source: BC Stats

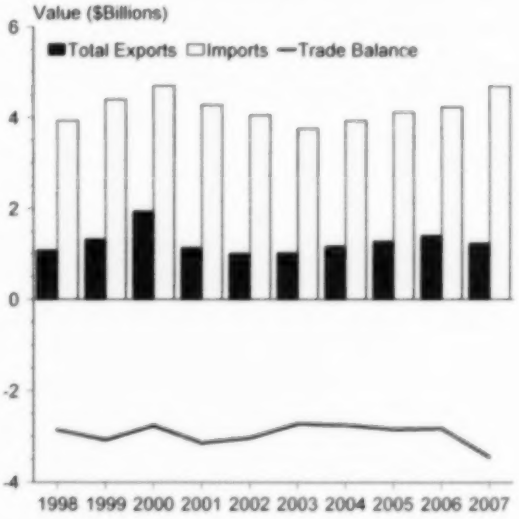
There is far more diversification in terms of origins of high tech imports compared to destinations of exports. Just over a third (34%) of BC's high tech imports originate in the United States, with a further 20% of imports sourced from Mainland China. Mexico ranks third with $494 million, or 11% of BC's tech imports originating in that country, which is more than the value of high tech goods imported from all of the European Union countries combined ($416 million, or 9%). The countries of the Pacific Rim were the source of almost 40% of high tech imports in aggregate, the second straight year and only the second time that imports from this region have exceeded those from the United States. The explosion of shipments from Mainland China is mainly responsible for this, as imports from that country have climbed almost 2,000% in the last decade.

In 2007, the value of high technology goods imported into British Columbia was over five times that of high tech exports from the province. As with exports, computer and telecommunications goods are by far the largest category of high technology imports, comprising 60% of high tech product imports, or $2.8 billion. The next largest group of imports was aerospace goods, which were valued at just over a fifth that of computers and telecommunications goods, at $633 million, or 14% of total BC high tech imports.

The strongest percentage growth in high tech imports was for aerospace products, which recorded an increase of 40.9% in 2007, vaulting them ahead of life sciences goods to rank as the second largest high tech commodity group import into BC. In terms of absolute numbers, imports of computers and telecommunications products grew the most, increasing by almost $220 million, or 8.5%.

British Columbia imports substantially more high technology goods than it exports and, as a result, the province runs a trade deficit in these commodities. In 2007, this deficit became even larger as imports grew at a far faster pace than exports. The deficit climbed to almost $3.5 billion, or nearly four times the total value of BC's high tech exports.

BC's imports far more high tech goods than it exports



Source: BC Stats

The high flying Canadian dollar likely had a role in boosting high tech imports from the United States, which drove up BC's trade deficit with that country, such that it now ranks as the largest deficit at $938 million, surpassing Mainland China, which had briefly overtaken the US in 2006. British Columbia's high tech trade deficit with Mainland China is $903 million, ranking that country second behind the United States. After the United States and China, the next largest deficit is with Mexico, at $482 million, which is almost twice the combined deficit with all countries of the European Union ($248 million). BC trades very few high tech goods to Mexico, but imports a large amount, accounting for the substantial deficit.

Given the current volatility of resource-sector commodity demand and pricing and the effect this is having on the value of the Canadian dollar, British Columbia is more in need than ever of developing other export products in order to maintain some stability in the economy. The high technology sector could be one area that will be of assistance in this regard.

For a more detailed look at high tech trade, including comparisons with other provinces and the United States, as well as measurements of high tech GDP, revenue, wages and salaries, employment and establishment counts, refer to the *Profile of the British Columbia High Technology Sector: 2008 Edition:*

www.bcstats.gov.bc.ca/data/bus_stat/busind/hitech.asp

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Email transmission information service from BC Stats

also on the Internet at www.bcstats.gov.bc.ca

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BC at a glance . . .

POPULATION (thousands)	Oct 1/08	% change on one year ago
BC	4,405.5	1.6
Canada	33,441.3	1.2
GDP and INCOME (Revised Nov 6)		
(BC - at market prices)	2007	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	192,528	5.4
GDP *($ 2002 millions)*	164,583	3.0
GDP *($ 2002 per Capita) (reflects revised pop)*	38,184	1.4
Personal Disposable Income *($ 2002 per Capita)*	25,282	3.1
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Oct	3,446	0.4
Merchandise Exports - Oct	3,104	9.0
Retail Sales - Oct	4,679	-2.0
CONSUMER PRICE INDEX	% change on one year ago	12-month avg % change
(all items - Nov 2008)		
BC	2.0	2.1
Vancouver	2.3	2.3
Victoria	2.1	1.8
Canada	2.0	2.5
LABOUR FORCE (thousands)		% change on prev. month
(seasonally adjusted)	Nov '08	
Labour Force - BC	2,429	-0.2
Employed - BC	2,310	0.0
Unemployed - BC	119	-3.3
		Oct '08
Unemployment Rate - BC *(percent)*	4.9	5.1
Unemployment Rate - Canada *(percent)*	6.3	6.2
INTEREST RATES (percent)	Dec 17/08	Dec 19/07
Prime Business Rate	3.50	6.00
Conventional Mortgages - 1 year	5.60	7.20
- 5 year	6.75	7.39
US-CANADA EXCHANGE RATE	Dec 17/08	Dec 19/07
(avg. noon spot rate) Cdn $ per US $	1.2058	1.0056
(closing rate) US $ per Cdn $	0.8356	0.9967
AVERAGE WEEKLY WAGE RATE		% change on one year ago
(industrial aggregate - dollars)	Nov '08	
BC	789.82	4.8
Canada	797.73	4.4

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

Provincial Electoral District Profiles

We have just completed a series of profiles for each of the 85 electoral districts that will be contested in the provincial general election scheduled for May 12, 2009. Based on the 2006 Census; 27 pages each.

www.bcstats.gov.bc.ca/data/cen06/profiles/peds/ped_06.asp

RSS feed for Infoline

Infoline now has its very own RSS feed!

www.bcstats.gov.bc.ca/rss/rss.asp

The Import Content of Exports: A British Columbia Perspective

A new study examining the import content of British Columbia's exports has been released. The removal of the import content allows for better comparison with GDP and provides insights into the value-added content of exports and the extent that firms are outsourcing production in an attempt to lower costs.

www.bcstats.gov.bc.ca/data/bus_stat/trade.asp#ICE

Data and Health Mapping Browser

A new thematic mapping tool on our site will display a wide selection of BC Stats' data holdings. For a fee, BC Stats can create similar mapping tools for your organization using your own data for display on our site.

www.bcstats.gov.bc.ca/data/pop/maps/browsers.asp

Released this week by BC Stats

- Quarterly Regional Statistics, 3rd Quarter 2008
- Consumer Price Index, November 2008

Next week

- Migration Highlights, 3rd Quarter 2008
- Immigration Highlights, 3rd Quarter 2008
- 2008 Index for Infoline

Following week

- Business Indicators, December 2008
- Current Statistics, December 2008

BC Stats, Ministry of Labour and Citizens' Services, Box 9410 Stn Prov Govt, Victoria, B.C. V8W 9V1
Tel: (250) 387-0327 Fax: (250) 387-0329 Web: www.bcstats.gov.bc.ca E-mail: BC.Stats@gov.bc.ca